

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2504

Introduced by Assembly Member Audra Strickland

February 19, 2010

An act to amend Section 10980 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 2504, as amended, Audra Strickland. CalWORKs eligibility: fraudulent representations: fines.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria.

Existing law establishes criminal penalties, including the imposition of specified fines, for violation of certain provisions relating to, among other offenses, willfully and knowingly making a false statement or failing to disclose a material fact in order to obtain designated public social services, including the CalWORKs program benefits.

This bill, when an applicant or recipient commits specified offenses in connection with applying for or receiving CalWORKs benefits, would require that the fine applicable under existing law be doubled, and would require the additional amount collected as required by the bill be paid to the county treasurer in the county in which the judgment is entered.

The bill would require the county treasurer to deposit half of the amount received pursuant to the bill into the county general fund and the other half into the appropriate account for the benefit of the county district attorney's office *or the county's Special Investigative Unit (SIU) established for the purpose of investigating welfare fraud.*

By changing the penalty for certain crimes, and by increasing duties of county treasurers, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10980 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 10980. (a) Any person who, willfully and knowingly, with the
- 4 intent to deceive, makes a false statement or representation or
- 5 knowingly fails to disclose a material fact in order to obtain aid
- 6 under the provisions of this division or who, knowing he or she is
- 7 not entitled thereto, attempts to obtain aid or to continue to receive
- 8 aid to which he or she is not entitled, or to receive a larger amount
- 9 than that to which he or she is legally entitled, is guilty of a
- 10 misdemeanor, punishable by imprisonment in the county jail for
- 11 a period of not more than six months, by a fine of not more than
- 12 five hundred dollars (\$500), or by both imprisonment and fine.
- 13 (b) Any person who knowingly makes more than one application
- 14 for aid under the provisions of this division with the intent of
- 15 establishing multiple entitlements for any person for the same
- 16 period or who makes an application for that aid for a fictitious or
- 17 nonexistent person or by claiming a false identity for any person
- 18 is guilty of a felony, punishable by imprisonment in the state prison

1 for a period of 16 months, two years, or three years, by a fine of
2 not more than five thousand dollars (\$5,000), or by both that
3 imprisonment and fine; or by imprisonment in the county jail for
4 a period of not more than one year, or by a fine of not more than
5 one thousand dollars (\$1,000), or by both imprisonment and fine.

6 (c) Whenever any person has, willfully and knowingly, with
7 the intent to deceive, by means of false statement or representation,
8 or by failing to disclose a material fact, or by impersonation or
9 other fraudulent device, obtained or retained aid under the
10 provisions of this division for himself or herself or for a child not
11 in fact entitled thereto, the person obtaining this aid shall be
12 punished as follows:

13 (1) If the total amount of the aid obtained or retained is nine
14 hundred fifty dollars (\$950) or less, by imprisonment in the county
15 jail for a period of not more than six months, by a fine of not more
16 than five hundred dollars (\$500), or by both imprisonment and
17 fine.

18 (2) If the total amount of the aid obtained or retained is more
19 than nine hundred fifty dollars (\$950), by imprisonment in the
20 state prison for a period of 16 months, two years, or three years,
21 by a fine of not more than five thousand dollars (\$5,000), or by
22 both that imprisonment and fine; or by imprisonment in the county
23 jail for a period of not more than one year, by a fine of not more
24 than one thousand dollars (\$1,000), or by both imprisonment and
25 fine.

26 (d) Any person who knowingly uses, transfers, acquires, or
27 possesses blank authorizations to participate in the federal
28 Supplemental Nutrition Assistance Program in any manner not
29 authorized by Chapter 10 (commencing with Section 18900) of
30 Part 6 with the intent to defraud is guilty of a felony, punishable
31 by imprisonment in the state prison for a period of 16 months, two
32 years, or three years, by a fine of not more than five thousand
33 dollars (\$5,000), or by both that imprisonment and fine.

34 (e) Any person who counterfeits or alters or knowingly uses,
35 transfers, acquires, or possesses counterfeited or altered
36 authorizations to participate in the federal Supplemental Nutrition
37 Assistance Program or to receive food stamps or electronically
38 transferred benefits in any manner not authorized by the Food
39 Stamp Act of 1964 (Public Law 88-525 and all amendments
40 thereto) or the Food and Nutrition Act of 2008 (7 U.S.C. Sec. 2011

1 et seq.) or the federal regulations pursuant to the act is guilty of
2 forgery.

3 (f) Any person who fraudulently appropriates food stamps,
4 electronically transferred benefits, or authorizations to participate
5 in the federal Supplemental Nutrition Assistance Program with
6 which he or she has been entrusted pursuant to his or her duties as
7 a public employee is guilty of embezzlement of public funds.

8 (g) Any person who knowingly uses, transfers, sells, purchases,
9 or possesses food stamps, electronically transferred benefits, or
10 authorizations to participate in the federal Supplemental Nutrition
11 Assistance Program in any manner not authorized by Chapter 10
12 (commencing with Section 18900), of Part 6, or by the federal
13 Food Stamp Act of 1977 (Public Law 95-113 and all amendments
14 thereto) or the Food and Nutrition Act of 2008 (7 U.S.C. Sec. 2011
15 et seq.) (1) is guilty of a misdemeanor if the face value of the food
16 stamp benefits or the authorizations to participate is nine hundred
17 fifty dollars (\$950) or less, and shall be punished by imprisonment
18 in the county jail for a period of not more than six months, by a
19 fine of not more than five hundred dollars (\$500), or by both
20 imprisonment and fine, or (2) is guilty of a felony if the face value
21 of the food stamps or the authorizations to participate exceeds nine
22 hundred fifty dollars (\$950), and shall be punished by
23 imprisonment in the state prison for a period of 16 months, two
24 years, or three years, by a fine of not more than five thousand
25 dollars (\$5,000), or by both that imprisonment and fine, or by
26 imprisonment in the county jail for a period of not more than one
27 year, or by a fine of not more than one thousand dollars (\$1,000),
28 or by both imprisonment and fine.

29 (h) (1) If the violation of subdivision (f) or (g) is committed by
30 means of an electronic transfer of benefits, in addition and
31 consecutive to the penalties for the violation, or attempted
32 violation, of those subdivisions, the court shall impose the
33 following punishment:

34 (A) If the electronic transfer of benefits exceeds fifty thousand
35 dollars (\$50,000), an additional term of one year in state prison.

36 (B) If the electronic transfer of benefits exceeds one hundred
37 fifty thousand dollars (\$150,000), an additional term of two years
38 in state prison.

1 (C) If the electronic transfer of benefits exceeds one million
2 dollars (\$1,000,000), an additional term of three years in state
3 prison.

4 (D) If the electronic transfer of benefits exceeds two million
5 five hundred thousand dollars (\$2,500,000), an additional term of
6 four years.

7 (2) In any accusatory pleading involving multiple charges of
8 violations of subdivision (f) or (g), or both, committed by means
9 of an electronic transfer of benefits, the additional terms provided
10 in paragraph (1) may be imposed if the aggregate losses to the
11 victims from all violations exceed the amounts specified in this
12 paragraph and arise from a common scheme or plan.

13 (i) A person who is punished by an additional term of
14 imprisonment under another provision of law for a violation of
15 subdivision (f) or (g) shall not receive an additional term of
16 imprisonment under subdivision (h).

17 (j) Notwithstanding any other provision of this section, the
18 amount of a fine imposed pursuant to subdivision (a), (b), or (c),
19 with respect to benefits under Chapter 2 (commencing with Section
20 11200) of Part 3, shall be doubled in accordance with this
21 subdivision. The additional amount collected pursuant to this
22 subdivision shall be paid to the county treasurer in the county in
23 which the judgment is entered, and the county treasurer shall
24 deposit half of the amount received pursuant to this subdivision
25 into the county general fund, and half into the appropriate fund or
26 account for the benefit of the county district attorney's office *or*
27 *the county's Special Investigative Unit (SIU) established for the*
28 *purpose of investigating welfare fraud.*

29 SEC. 2. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution for certain
31 costs that may be incurred by a local agency or school district
32 because, in that regard, this act creates a new crime or infraction,
33 eliminates a crime or infraction, or changes the penalty for a crime
34 or infraction, within the meaning of Section 17556 of the
35 Government Code, or changes the definition of a crime within the
36 meaning of Section 6 of Article XIII B of the California
37 Constitution.

38 However, if the Commission on State Mandates determines that
39 this act contains other costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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